

Page 40, line 34, after the description of Example 13, Case 4, insert the tables attached hereto as Attachment 1, Attachment 2, Attachment 3, and Attachment 4;

Page 41, line 35, after the description of Example 14, Case 4, insert the tables attached hereto as Attachment 5, Attachment 6, Attachment 7 and Attachment 8;

Page 42, line 3, delete "gearing" and insert therefor --leveraging--.

IN THE CLAIMS

Please amend the claims as follows:

- 54B C1
1. (Amended) A contract exchange comprising:
 - a central clearing house computer;
 - a cash depositing facility comprising a[, such as] computer based cash management fund, electronically linked to the central clearing house computer; and
 - an automated real time screen trading system operated by investors using personal computers linked by telephone lines to the central clearing house computer;
 wherein
 - the contract exchange creates, trades and closes indivisible financial package contracts each of which have two parties, a buyer and a seller, who are the beneficial owners of the proceeds of a binding obligation requiring a cash settlement based on a settlement price of a specific quantity of a specified type of product at an agreed price, place and time;
 - the price of the contracts is determined by a market;
 - the contracts are leveraged [geared] and investors must make sufficient funds available to a trading account from a depositing facility account to cover the proportion of the value of a contract, as determined by the leveraging [gearing] ratio, being permitted to buy or sell;
 - as the price moves in the market, the parties to contracts gain or lose the entire changed value of the contracts they hold;

either the buyer or the seller makes an incremental profit after each price movement and the counter party makes an incremental loss;

the credit is immediately transferred from the trading account of the party making the loss to the party making the profit;

the clearing house holds options on all the contracts and is able to exercise its option rights to dispose of some or all of a party's contracts in the market if that party's trading, or assigned funds became insufficient to cover the proportion of the value of the contracts held, as determined by the leveraging [gearing] ratio;

should the clearing house be unable to dispose of the contracts required in the market then when the contract price moves such that the party's funds fall to zero, it is able to close all that party's contracts at that price, simultaneously closing all the contracts held by the counter parties;

closing takes place without delay and without the involvement of any other parties.

Sub C3

3. (Twice Amended) A contract exchange according to claim 1, wherein if a party has sufficient funds to cover the proportion of the value of the contracts held, as determined by the leveraging [gearing] ratio, at the last sale price but not at the price of one of the market parameters, and a counter party enters the market at that parameter to close a position, the clearing house may close sufficient of the party's contracts with the counter party's contracts so that the party no longer has insufficient funds to cover the proportion of the value of the contracts held at the price of that market parameter.

Sub C5

6. (Amended) A protocol for trading on a contract exchange, comprising the steps of:
providing a central clearing house computer;

providing a cash depositing facility comprising a [such as] computer based cash management fund electronically linked to the central clearing house computer;

providing an automated real time screen trading system operated by investors using personal computers linked by telephone lines to the central clearing house computer;

creating, trading and closing indivisible financial package contracts each of which have two parties, a buyer and a seller, who are the beneficial owners of the proceeds of a binding obligation requiring a cash settlement based on a settlement price of a specific quantity of a specified type of product at an agreed price, place and time;

determining the price of the contracts by operation of a market;

leveraging [gearing] the contracts and monitoring the funds each investor has available to ensure each investor has sufficient funds available in a trading account to cover the proportion of the value of a contract, as determined by the leveraging [gearing] ratio, before an investor is permitted to open contracts to buy or sell;

exercising option rights to dispose of some or all of a party's contracts in the market if that party's funds become insufficient to cover the proportion of the value of the contracts held, as determined by the leveraging [gearing] ratio;

if unable to dispose of the contracts required in the market then, when the contract price moves such that the party's funds fall to zero, closing all that party's contracts at that price, and simultaneously closing all the contracts held by the counter parties;

closing takes place without delay and without the involvement of any other parties.

8. (Twice Amended) A protocol for trading on a contract exchange according to claim 6, comprising the further step of:

if a party has sufficient funds to cover the proportion of the value of the contracts held, as determined by the leveraging [gearing] ratio, at the last sale price but not at the price of one of the market parameters, and a counter party enters the market at that parameter to close a position, exercising option rights to close sufficient of the party's contracts with the counter party's contracts so that the party no longer has insufficient funds to cover the proportion of the value of the contracts held at the price of that market parameter.

10. (Amended) A unique indivisible financial package contract which is a binding obligation requiring a mandatory cash settlement based on a settlement price of a specific quantity of a specified type of product at an agreed price, place and time;

each contract has two parties, a buyer and a seller, who are the beneficial owners of the proceeds of the binding obligation;

when holding contracts, the price moves as determined by market forces;

the contracts are leveraged [geared] and investors must make sufficient funds available to a trading account from the depositing facility account to cover the proportion of the value of a contract, as determined by the leveraging [gearing] ratio, before an investor is permitted to open contracts to buy or sell;

as the price moves in the market, the parties to contracts gain or lose the entire change of value of the contracts they hold;

either the buyer or the seller makes an incremental profit after each price movement and the counter party makes an incremental loss;

the credit is immediately transferred to the trading account of the party making the profit from the trading account if the counter party is making the loss;

the clearing house holds options on all the contracts and is able to exercise its option rights to dispose of some or all of a party's contracts in the market if that party's funds became insufficient to cover the proportion of the value of the contracts held, as determined by the leveraging [gearing] ratio;

should the clearing house be unable to dispose of the contracts required in the market then when the contract price moves such that the party's funds fall to zero, it is able to close all that party's contracts held by the counter parties; closing takes place without delay and without involvement of any other parties.

12. (Twice Amended) A unique indivisible financial package contract according to claim 10, wherein if a party has sufficient funds to cover the proportion of the value of the contracts held, as determined by the leveraging [gearing] ratio, at the last sale price but not at the price of one of the market parameters, and a counter party enters the market at that parameter to close a position, the clearing house may close sufficient of the party's contracts with the counter party's contracts so that the party no longer has insufficient funds to cover the proportion of the value of the contracts held at the price of that market parameter.

REMARKS

1. In paragraph 1 of the Office Action, it was indicated that the subject matter of the application admits of illustration by drawings to facilitate understanding of the invention. Applicant therefore submits herewith new FIGURES 1-3 pursuant to 37 CFR 1.81. The drawings depict subject matter which was fully described in the original disclosure (see, e.g., page 1, line 27 through page 2, line 4 (FIGURE 1); page 6, line 23 through page 8, line 3 (FIGURE 2); page 8, line 4 through page 11, line 9 (FIGURE 3)), thus, no new matter is added by these drawings.

2. Throughout the specification and claims, Applicant has replaced the terms "geared" and "gearing" with the equivalent terms "leveraged" and "leveraging" since the latter terms are more commonly used in the vernacular of American English. This change is clearly supported by the original specification which indicates the equivalence of these terms (see, e.g., page 24, line 8). Thus, no new matter has been added by these changes.